

### KANSAS LEGISLATIVE INSIGHTS NEWSLETTER | JUNE 12, 2024

### **LEGISLATIVE OVERVIEW**

Attention has shifted to the Governor's office to see which bills were signed and to the Secretary of State's office for primary election filings since *sine die* adjournment on April 30. Governor Laura Kelly signed a majority of the bills passed during the veto session. There were ceremonial bill signings for major legislation; however, it's what was *not* signed that generated all the interest. At the top of the list, as promised, Gov. Kelly vetoed the tax relief package and has called a special session for June 18. In her press release, Gov. Kelly stated: "I recognize that Kansans desperately need tax relief. I will be working with legislative leaders to come to a compromise, forging a bipartisan tax cut plan that will responsibly provide tax relief for all Kansans without threatening our state's future fiscal stability."

House and Senate leaders expressed their frustration with the latest tax vetoes: "We've consistently worked in a bipartisan fashion to deliver tax relief to all Kansans, and Governor Kelly hasn't met us in the middle of the road ... she's been the roadblock!" said House Speaker Dan Hawkins, R-Wichita, in a newsletter.

"What we're arguing over is almost silly," Senate President Ty Masterson, R-Wichita, said. "In the scope of the Kansas budget, it is a fraction of a percent apart, and we're supposed to believe that one is sustainable, and one is devastating. The truth is they're either both sustainable or they're both not."

"I think we made a good-faith effort to get the numbers down and still put together a good tax bill," said Rep. Tom Sawyer, D-Wichita, and the ranking Democrat on taxes.

The Kansas Legislative Research Department projected SB 37 would have cost the state \$2.34 billion through fiscal year 2029. Gov. Kelly believes it is unsustainable even with the lower price tag than previous tax cut packages. Two other smaller tax measures were also vetoed by Gov. Kelly. HB 2096 contained several property tax provisions designed to benefit Kansas veterans. HB 2097 created a film and digital media tax credit along with other tax credits for community theaters. Gov. Kelly has now vetoed 21 bills this session. This number does not reflect the budget line-item vetoes. Seven vetoes have been overridden. We have included her veto message later in this issue.

How long the Special Session will last depends on the availability of key legislators and the number of issues under consideration. During a Special Session, there is no limit on the number of bills to be considered. Momentum seems to be building to amend state law to allow the use of STAR bonds to attract a professional sports team. A newly formed non-profit named "Scoop and Score" has retained 27 lobbyists to seek legislative changes to attract the Kansas City Chiefs to locate in Kansas. In addition, the Royals also have retained eight lobbyists to be a part of this effort.

#### **PRIMARY ELECTION FILINGS**

The Secretary of State's office always generates intrigue and interest ahead of the June primary election-filing deadline. There are always last-minute surprises. Eleven Senators did not file for re-election. Among the last-minute surprises were the retirements of Sen. Molly Baumgardner, Rep. Susan Concannon, and Rep. Brenda Landwehr. In addition, the death of House Assistant Majority Rep. Les Mason prompted close friend and retiring state Sen. Rick Wilborn to file for his seat at the deadline. In the House, 19 members are not seeking re-election but with one caveat. Eleven of those House members are running for the Senate.

Barring a successful write-in campaign, there are four Senate incumbents without any primary or general election opposition. The House has more than 40 candidates without opposition. Practically one-third of the House is already elected. Republicans will be working to maintain or expand their veto-proof majorities in the House and Senate. Democrats will be working to break the super majorities this fall.

The four Kansas Congressional seats have attracted 15 candidates. The 2nd Congressional District race to succeed Rep. Jake LaTurner has attracted seven candidates. The August primary will have five Republican candidates and two Democrats campaigning for the open seat.

### WHAT YOU NEED TO KNOW ABOUT A SPECIAL SESSION

June 18 will mark the 26th Special Session in Kansas history. The first Special Session was held in 1874 to address a grasshopper plague and the last was in 2021 to address COVID issues. This is the third Special Session during Gov. Kelly's tenure, which matches former Kansas Governor and Republican Presidential candidate Alf Landon. A Special Session occurs when the legislature is called back to Topeka outside the regular session to address an emergency or specific issue. The projected cost is around \$85,000 per day.

The Kansas Constitution allows the governor to call a Special Session, or for two-thirds of the Kansas Legislature to petition the governor to convene (the Legislature was added to the Constitution in 1972). A Special Session proclamation typically provides a start date and some mention of the subject matter to be considered. There are no limits to the number of issues that may be considered during the session, nor does it limit the timeframe of the Special Session. The longest Special session was 28 days in 1886, debating redistricting and appropriations. The shortest was one day in 2021. No bills will carry over from the regular session. There can be no attempts to override any vetoes from the regular session. No bills may be pre-filed. For more details and the history of Special Sessions, check out this primer provided by the Kansas Revisor of Statutes office.

#### WHAT WAS VETOED

Gov. Kelly vetoed five measures passed during the veto session. Since the Legislature adjourned *sine die*, there is no opportunity for the Legislature to consider veto overrides. Most of the attention has been focused on the promised veto of the tax package but several other measures involve significant policy questions as well. We have included Gov. Kelly's veto messages as well as a list of the line item vetoes from the Omnibus budget.

On May 16, Gov. Kelly vetoed three tax cut measures: House Substitute for SB 37, HB 2096, and HB 2097. Gov. Kelly issued one veto message for all three.

The following is an excerpt of the message from Gov. Kelly regarding her veto of House Substitute for Senate Bill 37 (tax package), House Bill 2096 (property tax relief for veterans), and House Bill 2097 (film and digital tax incentives):

"Kansans need responsible, comprehensive tax relief. As I said in my last veto statement of the Legislature's nearly identical tax bill, I cannot sign into law a bill that jeopardizes our state's future fiscal stability.

"While I applaud the spirit of bipartisanship, this tax cut package, passed at the 11th hour of the last day of the Legislative session, misses the mark. Its proposed cuts and the excessive spending by the Legislature endanger all the progress we've made in restoring services for Kansans, funding our public schools, and investing in our infrastructure.

"Additionally, to favor a specific business, a tax abatement scheme was floated to put taxpayer dollars into that business' pocket at the expense of local government services. That's wrong. Taxpayer dollars should not be diverted to political donors under the guise of tax cuts.

"The lack of a fiscally responsible tax cut bill jeopardizes other tax policy passed before adjournment, such as legislation to support Kansas' film and digital media industry. The Legislature cannot overpromise tax cuts without considering the overall cost to the state for future years. We cannot start with our expenses and then look at our income. Families and businesses do not budget like that; neither should Kansas."

## The following is an excerpt of the message from Gov. Kelly regarding her veto of House Substitute for Senate Bill 172 (foreign adversaries land ownership):

"Many of the provisions in House Substitute for Senate Bill 172 are overly broad and not narrowly tailored to enhance our state's security while limiting the disruption of legitimate investment and business relationships. Additionally, the retroactive nature of this legislation raises further serious constitutional concerns.

"If the Legislature is serious about protecting Kansans from foreign adversaries, it should consider more narrow, forward-looking proposals that are focused on bad actors while ensuring legitimate business relationships with potential trading partners and small businesses are not impacted."

# The following is an excerpt of the message from Gov. Kelly regarding her veto of House Substitute for Substitute for Senate Bill 232 (father responsible for child support from inception):

"Kansans already made it very clear that they don't want lawmakers involved in personal matters. It's time we listen to them. As I have said before, I refuse to sign legislation that goes against the will of the majority of Kansans who voted on August 2, 2022."

Gov. Kelly signed the omnibus budget package, HB 2551, along with the details of 13-line-item vetoes within the budget. These line-item vetoes cover a variety of topics including bonding authority for Kansas State University Dairy facilities, specific line-item appropriations for behavioral health and addiction counseling services, striking of additional employees with the Office of the Attorney General, and more. A full list of the line item vetoes can be found on the Governor's website.

### **IN MEMORIAM**

Mary Ryckman, the wife of Sen. Ron Ryckman and mother of former House Speaker Ron Ryckman, Jr., died May 15 after a long illness She was 76. Foulston shares our sympathy and prayers for Sen. Ryckman and his family.

Assistant House Majority Leader Les Mason suffered a brain aneurysm on May 31 and passed away on June 3. He served 10 years in the Kansas House of Representatives representing House District 73. Foulston extends our sympathy to his wife, Vicki, and family.

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Kansas Legislative Insights is a publication developed by the Governmental Affairs & Public Policy Law practice group of Foulston Siefkin LLP. It is designed to inform business executives, human resources and governmental relations professionals, and general counsel about current developments occurring in current Kansas legislation. Published regularly during the Kansas legislative session and periodically when the Legislature is not in session, it focuses on issues involving healthcare, insurance, public finance, taxation, financial institutions, business & economic development, energy, real estate & construction, environmental, agribusiness, employment, and workers compensation. Bill summaries are by necessity brief, however, for additional information on any issue before the Kansas Legislature, contact Foulston Siefkin's Governmental Affairs & Public Policy Law practice group leader, C. Edward Watson, II, at 316.291.9589 or cewatson@foulston.com. Learn more about the authors below:

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